Order to John Wyeth and Brothers Limited to wind up Business

627. SHRI SURESH PACHOURI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government's attention has been drawn to the news item which appeared in the 'Blitz' of the 13th July, 1985 captioned 'Boost to multis will oust Indian companies';

(b) if so, whether it is a fact that John Wyeth & Bros. Ltd. were asked to wind up their activities by Reserve Bank of India;

(c) if so, when;

(d) whether it is also a fact that the direction of Reserve Bank was reversed under the order of his Ministry and if so, when were such orders issued; and

(e) how his Ministry recommended to Reserve Bank of India to allow the company to continue with 40 per cent equity and when such recommendation was sent?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VEERENDRA PATIL): (a) Yes, Sir.

(b) to (e) In 1982 Reserve Bank of India (RBI) directed M/s. John Wyeth & Brothers to wind up their activities in India. The company represented against the RBI directive to the Government. After due consideration, Government decided to allow the company to carry on its activities in India subject to the branch being converted into an Indian company with its non-resident interest not exceeding 40 per cent. Foreign Exchange Regulation Act is administered by the Reserve Bank of India and Ministry of Finance (Deptt. of Economic Affairs). The question of RBI revising its directive under the orders of this Ministry does not arise.

Price fixation of certain drugs

628. SHRI SURESH PACHOURI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what are the prices fixed per pack and strength of Garamycin, Gencyl Gentasporin, Genticyn, Biogaracin, Gentyn, Lyramycin, Merigenta and primicin range of formulations;

(b) what is the bulk drug price taken into account while fixing the price of each of the above formulations;

(c) whether the bulk drug price was based on actual purchase price;

(d) if so, what was the price, quantity and source of purchase of each manufacturer;

(e) what are the names of the formulators marketing above products;

(f) whether it is a fact that the manufacturers purchased Gentamycin at a much less price than the prices on which the formulations were based; and

(g) what was the quantity purchased by each manufacturer during the last three years, year-wise alongwith the source of purchase and the prices; and whether the prices of formulations were fixed on purchase-price?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI VEERENDRA PATIL): (a) Statement I (*See below*) showing the leader prices exclusive of excise duty presently fixed for Gentamycin formulations sold under various brand names is attached. The prices fixed are the maximum retail prices and the manufacturers are free to market the products at prices not exceeding the leader prices.

(b) and (c) The price of Gentamycin was reduced from Rs. 35.67 per gram to Rs. 23.50 per gram w.e.f. 22nd September, 1984. The prices of for-

mulations are based on the reduced price of Gentamycin.

(d) to (g) A number of manufacturers like Fulford (India) Limited, Lyka Labs., Hindustan Antibiotics Limited, Nicholas Laboratories, P.C.I., I.D.P.L., Biochem, Mercury labs. etc. are marketing formulations based on Gentamycin. Details of quantity of Gentamycin procured by each manufacturer, source-wise and the price of such procurement are not available. However, a Statement, II showing the purchases of Gentamycin made by some major actual users of this drug is attached. These purchases have been made at prices which varied from consignment to consignment. As there was difference between the price allowed in the formulations before the reduction in price and the actual purchase price, notices for recovery into the Drugs Prices Equalisation Account have been issued to a number of formulators. M/s. Fulford (India) Limited have filed a Writ Petition in the Delhi High Court against notice for recovery issued under the Drugs (Prices Control) Order, 1979. The Delhi High Court has granted interim stay restraining the Union of India from taking any further action against the petitioners. The matter is listed for further hearing on 30th July 1985.

Statement I

Sl. No.	Name of the formulation	Strength	Pack size	Leader price excluding ED
1	Gentamycin Injection	40 mg. base/ml.	2ml vial	7·05
2	Gentamycin Eye/Ear Drops	3mg base/ml 0·3% WW	3 ml Vial	3·20
3	Gentamycin Topical/Cream	0·1%	5gm tube	1·8

Statement-II

Sl. No.	Name of the Actual user	Year	Quantity purchased (kg.)
1	M/s Biochem Pharmaceuticals Limited	1980-81	50·00
		1981-82	40·00
		1982-83	65·00
2	M/s. Fulford India Ltd.	1980-81	145·263
		1981-82	246·868
		1982-83	330·253
3	M/s. Nicholas Labs. India Ltd.	1980-81	74·108
		1981-82	110·00
		1982-83	136·52
4	M/s. Lyka Labs.	1980-81	22·261
		1981-82	94·00
		1982-83	95·00